

THE CITY OF SEDAN, KANSAS

**AUDITORS' REPORT AND
FINANCIAL STATEMENT**

December 31, 2015

THE CITY OF SEDAN, KANSAS
FINANCIAL STATEMENT
For the Year Ending December 31, 2015

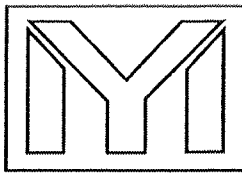
TABLE OF CONTENTS

	<u>Page Number</u>
 <u>INTRODUCTORY SECTION</u>	
Title Page	
Table of Contents	
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 - 3
 STATEMENT 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash For the Year Ended December 31, 2015	4 – 5
Notes to the Financial Statement	6 - 14
 <u>SUPPLEMENTARY INFORMATION</u>	
 SCHEDULE 1	
Summary of Expenditures - Actual and Budget For the Year Ended December 31, 2015	15
 SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual (and Budget if applicable) For the Year Ended December 31, 2015	
GENERAL FUND	16
LIBRARY FUND	17
SPECIAL STREET AND HIGHWAY FUND	18
SPECIAL EQUIPMENT FUND	19
SPECIAL PARK FUND	20
MUNICIPAL EQUIPMENT RESERVE FUND	21

**THE CITY OF SEDAN, KANSAS
FINANCIAL STATEMENT
For the Year Ending December 31, 2054**

TABLE OF CONTENTS

	<u>Page Number</u>
TRANSIENT GUEST TAX FUND	22
WATER FUND	23
SEWER FUND	24



YERKES & MICHELS, CPA, LLC

John D. Carroll, CPA
Carmen R. Duroni, CPA
Emily S. Erbe, CPA
Ashley R. Newland, CPA, MBAA
David W. Schwenker

CERTIFIED PUBLIC ACCOUNTANTS
American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
and City Council
City of Sedan, Kansas
111 E Cherokee
Sedan, KS 67361

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sedan, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas, this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B of the financial statement, the financial statement is prepared by the City of Sedan, Kansas (the Municipal Financial Reporting Entity), to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Sedan, Kansas (the Municipal Financial Reporting Entity), as of December 31, 2015, or changes in financial position or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Sedan, Kansas (the Municipal Financial Reporting Entity), as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1B.

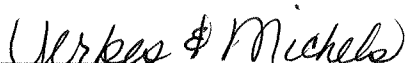
Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedules of regulatory basis receipts and expenditures – actual and budget – related municipal entities, (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1B.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated July 26, 2016. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.


YERKES & MICHELS, CPA, LLC
Independence, Kansas

July 26, 2016

THE CITY OF SEDAN, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2015

FUNDS		Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance	
Governmental Type Funds:									Governmental Type Funds:
General		\$ 192,427.03	\$ -	\$ 614,009.11	\$ 608,448.04	\$ 197,988.10	\$ 20,740.91	\$ 218,729.01	General
Special Purpose									Special Purpose
Library Fund		27,455.24		29,007.46	29,007.46	-	884.58	884.58	Library Fund
Special Street and Highway Fund		275.82		28,270.65	32,650.53	23,075.36		23,075.36	Spec.Str. & Hwy.Fund
Special Equipment Fund		2,983.98		3,711.22	275.82	-		-	Special Equipment Fund
Special Park Fund		5,924.06		10,423.76	1,387.54	5,307.66		5,307.66	Special Park Fund
Municipal Equipment Fund		9,997.66		3,411.94	11,605.50	4,742.32		4,742.32	Municipal Equipment Fund
Transient Guest Tax Fund					3,059.49	10,350.11		10,350.11	Transient Guest Tax Fund
Business Funds:									Business Funds:
Water Fund		388,613.98		360,273.40	388,886.94	360,000.44	10,622.26	370,622.70	Water Fund
Sewer Fund		48,523.59	-	114,230.16	121,976.68	40,777.07	1,595.15	42,372.22	Bond Reserve Fund
TOTAL REPORTING ENTITY		\$ 676,201.36	\$ -	\$ 1,163,337.70	\$ 1,197,298.00	\$ 642,241.06	\$ 33,842.90	\$ 676,083.96	TOTAL REPORTING ENTITY

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF SEDAN, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2015

COMPOSITION OF CASH:

Cash on Hand		\$	300.00
First National Bank, Sedan, Kansas			
Checking Account No. 100810	\$	(16,102.90)	
Savings Account No. 456934			
Savings Account No. 454141		3,138.44	
Money Market Account No. 500119		358,035.35	
Certificate of Deposit No. 12182		<u>120,000.00</u>	\$ 465,070.89
Bank of Sedan, Sedan, Kansas			
Money Market Account No. 1486			
Certificate of Deposit No. 5632	\$	50,000.00	
Certificate of Deposit No. 5631		<u>150,000.00</u>	<u>210,713.07</u>
TOTAL REPORTING ENTITY			<u><u>\$ 676,083.96</u></u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. FINANCIAL REPORTING ENTITY

The City of Sedan is a municipal corporation under the laws of the State of Kansas and is governed by an elected Mayor-Council form of government. The City Council consists of six members. The financial statement of the reporting entity includes those of the City of Sedan (the primary government) only.

1B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities.

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of The City of Sedan, Kansas, for the year 2015:

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

GOVERNMENTAL FUNDS

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long term debt.

Business funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

1C. REIMBURSEMENTS

The City of Sedan, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2A. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Special Equipment Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Management is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS

At December 31, 2015, the City had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At December 31, 2015, the City's carrying amount of deposits, including certificates of deposit, was \$676,083.96 and the bank balance was \$711,556.17. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance \$460,713.07 was covered by federal depository insurance, and \$250,843.10 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 4 – LONG-TERM DEBT

SEE SCHEDULE ON PAGES 13 & 14.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$28,334.35 for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the City's proportionate share of the collective net pension liability reported by KPERS was \$214,157.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

NOTE 5 - DEFINED BENEFIT PENSION PLAN (cont'd)

liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 6 – VACATION, SICK LEAVE AND OTHER COMPENSATED ABSENCES

City employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not accumulate, are lost if not used, and are recorded as expenditures when they are paid.

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

NOTE 8 – INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Statutory Authority</u>	<u>Amount</u>
Water	Municipal Equip.	K.S.A. 12-825d	10,000.00
Special Equipment	Municipal Equip.	K.S.A. 12-825d	275.82

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

NOTE 10 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

NOTE 11 – SUBSEQUENT EVENT

Subsequent to 12/31/15, the City approved the purchase of a digital meter reading system for \$195,000. \$95,000 will be financed with a purchase agreement from Bank of Sedan and the remaining will be paid with cash from the water/sewer fund.

THE CITY OF SEDAN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 4 - LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended
December 31, 2015 were as follows:

	<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount Issued</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
LOAN	KDHE - C20 1268	3.34%	6/1/94	236,000.00	9/1/15	15,852.65		15,852.65	(15,852.65)	-	368.40
	KDHE -C20 1496	3.19%	8/23/99	702,600.00	9/1/20	247,011.81		37,981.37	(37,981.37)	209,030.44	6,985.19
CAPITAL LEASES	Backhoe Loader	3.55%	8/10/11	40,514.00	9/10/16	17,072.40		8,384.41	(8,384.41)	8,687.99	616.05
	Vehicles	2.91%	6/13/13	51,169.40	5/13/17	15,053.93		9,759.45	(9,759.45)	5,294.48	440.55
							-	-	-	-	-
						<u>\$ 294,990.79</u>	<u>\$ -</u>	<u>\$ 71,977.88</u>	<u>\$ (71,977.88)</u>	<u>\$ 223,012.91</u>	<u>\$ 8,410.19</u>

THE CITY OF SEDAN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

NOTE 4 - LONG-TERM DEBIT (cont'd)

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Year 2016</u>	<u>Year 2017</u>	<u>Year 2018</u>	<u>Year 2019</u>	<u>Year 2020</u>	<u>2021-2024</u>	<u>TOTAL</u>
PRINCIPAL							
Loan							
KDHE - C20 1268	-	-	-	-	-	-	-
KDHE -C20 1496	39,202.64	40,463.18	41,764.25	43,107.14	44,493.23	-	209,030.44
Capital Leases							
Backhoe Loader	8,687.99	-	-	-	-	-	8,687.99
Vehicles	5,294.48	-	-	-	-	-	5,294.48
TOTAL PRINCIPAL	\$ 53,185.11	\$ 40,463.18	\$ 41,764.25	\$ 43,107.14	\$ 44,493.23	\$ -	\$ 223,012.91
INTEREST							
Loan							
KDHE - C20 1268	-	-	-	-	-	-	-
KDHE -C20 1496	5,859.64	4,697.89	3,498.78	2,261.12	983.66	-	17,301.09
Capital Leases							
Backhoe Loader	312.47	-	-	-	-	-	312.47
Vehicles	81.91	-	-	-	-	-	81.91
TOTAL INTEREST	\$ 6,254.02	\$ 4,697.89	\$ 3,498.78	\$ 2,261.12	\$ 983.66	\$ -	\$ 17,695.47
TOTAL PRINCIPAL & INTEREST	\$ 59,439.13	\$ 45,161.07	\$ 45,263.03	\$ 45,368.26	\$ 45,476.89	\$ -	\$ 240,708.38

THE CITY OF SEDAN, KANSAS

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

For the Year Ended December 31, 2015

THE CITY OF SEDAN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015

	Certified <u>Budget</u>	Adjustment For Qualifying <u>Budget Credits</u>	Total Budget for <u>Comparison</u>	Expenditures Chargeable to <u>Current Year</u>	Variance Over <u>(Under)</u>
<u>GOVERNMENTAL TYPE FUNDS</u>					
General	\$ 807,671.00	\$ -	\$ 807,671.00	\$ 608,448.04	\$ (199,222.96)
Special Purpose					
Library Fund	29,813.00		29,813.00	29,007.46	(805.54)
Special Street and Highway Fund	52,603.00		52,603.00	32,650.53	(19,952.47)
Special Parks Fund	3,220.00		3,220.00	1,387.54	(1,832.46)
Municipal Equipment Reserve	12,438.00		12,438.00	11,605.50	(832.50)
Transient Guest Tax	11,000.00		11,000.00	3,059.49	(7,940.51)
					-
Business Funds					
Water Fund	910,513.00		910,513.00	388,886.94	(521,626.06)
Sewer Fund	238,372.00		238,372.00	121,976.68	(116,395.32)

THE CITY OF SEDAN, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ 218,089.77	\$ 221,252.11	\$ 221,377.00	\$ (124.89)
Local Sales Tax	280,343.67	271,103.22	294,000.00	(22,896.78)
Connecting Link	5,893.60	5,607.36	5,000.00	607.36
Franchise Tax	75,157.13	72,453.29	66,000.00	6,453.29
Fines and Forfeitures	15,931.00	20,699.00	13,000.00	7,699.00
Fees Licenses and Permits	3,015.75	2,465.00	10,000.00	(7,535.00)
Swimming Pool	9,249.77	11,853.23	10,000.00	1,853.23
Rental Income	1,520.00	1,265.00	1,000.00	265.00
Interest	117.65	0.59	800.00	(799.41)
Transfers	-	-	-	-
Miscellaneous	5,800.00	7,310.31	20,000.00	(12,689.69)
TOTAL CASH RECEIPTS	\$ 615,118.34	\$ 614,009.11	\$ 641,177.00	\$ (27,167.89)
EXPENDITURES				
Administrative	\$ 87,531.49	\$ 93,238.67	\$ 271,566.00	\$ (178,327.33)
Police Department	128,837.87	164,049.43	164,477.00	(427.57)
Fire Department	13,128.22	15,662.18	14,000.00	1,662.18
Street Department	86,130.07	110,465.98	108,500.00	1,965.98
Ambulance	27,500.00	30,000.00	30,000.00	-
Park	11,669.59	14,988.26	15,000.00	(11.74)
Street Lighting	16,383.15	15,890.35	20,128.00	(4,237.65)
Hospital	139,206.49	135,887.77	147,000.00	(11,112.23)
Museum	5,000.00	5,000.00	5,000.00	-
Airport	1,070.09	854.61	1,000.00	(145.39)
Fair	4,000.00	-	4,000.00	(4,000.00)
Swimming Pool	22,192.46	24,340.04	27,000.00	(2,659.96)
Reimbursed Expense	-	(1,929.25)	-	(1,929.25)
Transfers	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL EXPENDITURES	\$ 542,649.43	\$ 608,448.04	\$ 807,671.00	\$ (199,222.96)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 72,468.91	\$ 5,561.07		
UNENCUMBERED CASH, BEGINNING	119,958.12	192,427.03		
UNENCUMBERED CASH, ENDING	\$ 192,427.03	\$ 197,988.10		

THE CITY OF SEDAN, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ 27,520.15	\$ 29,007.46	\$ 29,813.00	\$ (805.54)
TOTAL CASH RECEIPTS	\$ 27,520.15	\$ 29,007.46	\$ 29,813.00	\$ (805.54)
EXPENDITURES				
Appropriations to Library Board	\$ 27,520.15	\$ 29,007.46	\$ 29,813.00	\$ (805.54)
TOTAL EXPENDITURES	\$ 27,520.15	\$ 29,007.46	\$ 29,813.00	\$ (805.54)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ -		
UNENCUMBERED CASH, BEGINNING	-	-		
UNENCUMBERED CASH, ENDING	\$ -	\$ -		

THE CITY OF SEDAN, KANSAS
SPECIAL STREET AND HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
State of Kansas	\$ 28,225.67	\$ 28,270.65	\$ 28,910.00	\$ (639.35)
Transfers	-	-	-	-
TOTAL CASH RECEIPTS	<u>\$ 28,225.67</u>	<u>\$ 28,270.65</u>	<u>\$ 28,910.00</u>	<u>\$ (639.35)</u>
EXPENDITURES				
Street Repair and Maintenance	\$ 13,960.27	\$ 11,328.44	\$ 23,269.00	\$ (11,940.56)
Personnel Services	15,833.84	18,322.09	6,334.00	11,988.09
Capital Outlay			20,000.00	(20,000.00)
Lease Purchase Payments	<u>3,000.00</u>	<u>3,000.00</u>	<u>3,000.00</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 32,794.11</u>	<u>\$ 32,650.53</u>	<u>\$ 52,603.00</u>	<u>\$ (19,952.47)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (4,568.44)	\$ (4,379.88)		
UNENCUMBERED CASH, BEGINNING	<u>32,023.68</u>	<u>27,455.24</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 27,455.24</u>	<u>\$ 23,075.36</u>		

THE CITY OF SEDAN, KANSAS
SPECIAL EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Taxes	\$ -	\$ -
Miscellaneous	-	-
	<u> </u>	<u> </u>
TOTAL CASH RECEIPTS	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Lease Purchase Payments	\$ -	\$ -
Capital Outlay	-	-
Transfers	-	275.82
	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 275.82</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ (275.82)
UNENCUMBERED CASH, BEGINNING	<u>275.82</u>	<u>275.82</u>
UNENCUMBERED CASH, ENDING	<u>\$ 275.82</u>	<u>\$ -</u>

THE CITY OF SEDAN, KANSAS
SPECIAL PARK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ 2,002.05	\$ 1,926.22	\$ 1,620.00	\$ 306.22
Miscellaneous	<u>-</u>	<u>1,785.00</u>	<u>-</u>	<u>1,785.00</u>
TOTAL CASH RECEIPTS	<u>\$ 2,002.05</u>	<u>\$ 3,711.22</u>	<u>\$ 1,620.00</u>	<u>\$ 2,091.22</u>
EXPENDITURES				
Commodities	\$ 123.67	\$ 1,387.54	\$ -	\$ 1,387.54
Capital Outlay	<u>-</u>	<u>-</u>	<u>3,220.00</u>	<u>(3,220.00)</u>
TOTAL EXPENDITURES	<u>\$ 123.67</u>	<u>\$ 1,387.54</u>	<u>\$ 3,220.00</u>	<u>\$ (1,832.46)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,878.38	\$ 2,323.68		
UNENCUMBERED CASH, BEGINNING	<u>1,105.60</u>	<u>2,983.98</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,983.98</u>	<u>\$ 5,307.66</u>		

THE CITY OF SEDAN, KANSAS
MUNICIPAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Transfers	\$ 10,000.00	\$ 10,275.82	\$ 10,000.00	\$ 275.82
Miscellaneous	<u>-</u>	<u>147.94</u>	<u>-</u>	<u>-</u>
TOTAL CASH RECEIPTS	<u>\$ 10,000.00</u>	<u>\$ 10,423.76</u>	<u>\$ 10,000.00</u>	<u>\$ 275.82</u>
EXPENDITURES				
Lease Purchase Payments	\$ 14,675.76	\$ 1,457.56	\$ 6,847.00	\$ (5,389.44)
Capital Outlay	-	-	5,591.00	(5,591.00)
Commodities	<u>-</u>	<u>10,147.94</u>	<u>-</u>	<u>10,147.94</u>
TOTAL EXPENDITURES	<u>\$ 14,675.76</u>	<u>\$ 11,605.50</u>	<u>\$ 12,438.00</u>	<u>\$ (832.50)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (4,675.76)	\$ (1,181.74)		
UNENCUMBERED CASH, BEGINNING	<u>10,599.82</u>	<u>5,924.06</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 5,924.06</u>	<u>\$ 4,742.32</u>		

THE CITY OF SEDAN, KANSAS
TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Guest Tax	\$ 4,300.05	\$ 3,411.94	\$ 3,000.00	\$ 411.94
Transfers		-	-	-
TOTAL CASH RECEIPTS	<u>\$ 4,300.05</u>	<u>\$ 3,411.94</u>	<u>\$ 3,000.00</u>	<u>\$ 411.94</u>
EXPENDITURES				
Tourism	<u>\$ 2,302.39</u>	<u>\$ 3,059.49</u>	<u>\$ 11,000.00</u>	<u>\$ (7,940.51)</u>
TOTAL EXPENDITURES	<u>\$ 2,302.39</u>	<u>\$ 3,059.49</u>	<u>\$ 11,000.00</u>	<u>\$ (7,940.51)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,997.66	\$ 352.45		
UNENCUMBERED CASH, BEGINNING	<u>8,000.00</u>	<u>9,997.66</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 9,997.66</u>	<u>\$ 10,350.11</u>		

THE CITY OF SEDAN, KANSAS
WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Water Sales	\$ 358,268.96	\$ 350,656.54	\$ 375,000.00	(24,343.46)
Connection Fees	3,805.00	2,945.00	11,500.00	(8,555.00)
Penalties	6,257.25	4,153.51	-	4,153.51
Interest	2,276.08	1,849.60	3,000.00	(1,150.40)
Miscellaneous	-	668.75	15,000.00	(14,331.25)
TOTAL CASH RECEIPTS	\$ 370,607.29	\$ 360,273.40	\$ 404,500.00	\$ (44,226.60)
EXPENDITURES				
Personnel Services	\$ 112,463.92	\$ 121,982.69	\$ 136,000.00	\$ (14,017.31)
Water Purchased	212,832.04	186,000.58	222,000.00	(35,999.42)
Contractual Services	8,466.93	2,535.19	-	2,535.19
Commodities	66,997.75	73,592.97	25,000.00	48,592.97
Reimbursed Expenses	(4,937.04)	(7,237.04)	-	(7,237.04)
Capital Outlay	-	-	471,958.00	(471,958.00)
Lease Purchase Payments	4,406.55	2,012.55	1,555.00	457.55
Transfers	10,000.00	10,000.00	54,000.00	(44,000.00)
TOTAL EXPENDITURES	\$ 410,230.15	\$ 388,886.94	\$ 910,513.00	\$ (521,626.06)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (39,622.86)	\$ (28,613.54)		
UNENCUMBERED CASH, BEGINNING	428,236.84	388,613.98		
UNENCUMBERED CASH, ENDING	\$ 388,613.98	\$ 360,000.44		

THE CITY OF SEDAN, KANSAS
SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Sewer Charges	\$ 115,939.07	\$ 114,230.16	\$ 130,000.00	\$ (15,769.84)
Transfers	-	-	44,000.00	(44,000.00)
Miscellaneous	-	-	-	-
TOTAL CASH RECEIPTS	<u>\$ 115,939.07</u>	<u>\$ 114,230.16</u>	<u>\$ 174,000.00</u>	<u>\$ (59,769.84)</u>
EXPENDITURES				
Personnel Services	\$ 41,496.17	\$ 29,098.01	\$ 48,600.00	\$ (19,501.99)
Contractual Services	3,691.35	2,764.26	15,000.00	(12,235.74)
Commodities	20,500.03	15,780.22	10,000.00	5,780.22
Capital Outlay	21,500.00	11,450.00	102,346.00	(90,896.00)
Lease Purchase Payments	1,072.79	1,072.79	615.00	457.79
Principal	52,134.29	53,834.02	52,134.00	1,700.02
Interest	8,921.94	7,353.59	9,677.00	(2,323.41)
KDHE Service Fees	755.17	623.79	-	623.79
Transfers	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 150,071.74</u>	<u>\$ 121,976.68</u>	<u>\$ 238,372.00</u>	<u>\$ (116,395.32)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ (34,132.67)</u>	<u>\$ (7,746.52)</u>		
UNENCUMBERED CASH, BEGINNING	<u>82,656.26</u>	<u>48,523.59</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 48,523.59</u>	<u>\$ 40,777.07</u>		